CHAPTER 18 — EMPLOYEE BENEFITS DURING LAYOFF OR LEAVE OF ABSENCE

1800   Definitions

Under Wis. Stat. § 40.02 (40), " Leave of Absence" means any period during which an employee has ceased to render services and receive earnings from a participating employer, and there has been no formal termination of the employer-employee relationship.

Wis. Stat. § 40.02 (40), provides that a leave of absence, except a military leave or union service leave, shall terminate for Wisconsin Retirement System purposes no later than three years after it begins, or earlier if reported by the employer. Therefore, if an employee continues on leave with the employer after a period of three years, the employer must submit an *Employee Transaction Report* (ET-2533) showing that the employee terminated for WRS purposes three years from the date the leave of absence began. Use "Action Code" 01 for termination; the "Action Date" will be three years from the date the leave of absence began. **The employer can keep the employee on an administrative leave for other non-ETF program fringe benefit purposes if necessary.**

Note: Wis. Stat. § 40.02 (40) states that a leave of absence is not deemed ended or interrupted by reason of returning to work until the employee has resumed active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee's normal work time with that employer. Employee benefits may be continued during approved leaves without pay according to the guidelines described on the chart on the following page.

A separation or retirement benefit may not be paid to an employee on leave unless the employer/employee relationship is terminated. Contributions left in the Wisconsin Retirement System accumulate annual interest.

1801   Benefits Upon Termination Due to Permanent Layoff

Benefit Type	How Long is Coverage Available	Payment of Premiums	Employee Required Contributions	Employer Required Contributions
WRS	Contributions and service ends on the date the employee is terminated.	Employee and employer contributions will end on the termination date. The employee is eligible to take a separation or retirement benefit depending on their age.		
LIFE	Coverage will continue through the end of the month following the month in which the employee terminates. Employees insured for six or more continuous months at the time coverage ends may continue or convert life insurance coverage. See subchapter 1603 of the Group Life Insurance Administration Manual for details.	Employee and employer contributions will end on the last day of the month following the month in which the employee terminated. Example: If an employee is terminated on May 20, 2003, life insurance coverage will end on June 30, 2003.		
HEALTH	Up to 5 months with employer contribution. Thereafter, employee may continue: 1) If using sick leave credits to pay premiums, for up to five years if the sick leave credits are sufficient; 2) 36 months under continuation provisions, by paying full premium after the employer contribution ends or after sick leave credits are exhausted, or 3) For life, with premiums paid from sick leave or by the employee, if the employee begins an immediate WRS annuity, or has 20 years of creditable service and is eligible for a WRS annuity.	Paid in advance by deduction from last payroll check or by personal check; then 30 days prior to end of the period for which premiums were previously paid. Any employee share must be paid in advance by deduction from the employee's last check or by personal check if not using sick leave credits.	After 3 additional months of employer premium upon layoff, employee is responsible for all employer and employee contributions. Accumulated unused sick leave may be converted to a dollar amount to pay premiums during layoff. Premiums are deducted until the credits are exhausted, 1st of the month following the employee's acceptance of other employment offering comparable health insurance plan or policy, or five years have elapsed from date of layoff, whichever occurs first.	First 3 months (in addition to any prepaid months at time of termination) after employee is laid off.
ICI	Coverage ends on the termination date. Employees already on ICI continue to receive benefits for as long as they remain disabled under the terms of the ICI contract.	Employee and employer contributions will end on the termination date.		

If an employee is rehired after termination due to permanent layoff, the employee must meet the same eligibility requirements as any other rehire for WRS benefits, including insurance. Please access ETF's Previous Service & Benefit Inquiry Extranet Site (http://etfextranet.it.state.wi.us) or call the Employer Communication Center at (608) 264-7900 to see if the employee has taken a benefit after termination.

1802 - Benefits During Unpaid Leave of Absence or Temporary Layoff *

Benefit Type	How Long is Coverage Available?	Payment of Premiums	Employee Required Contributions	Employer Required Contributions	How to Obtain Coverage Lapsed During LOA
WRS	36 months (not applicable if employer pays contributions), not including military or union service leave.	A separation or retirement benefit may not be paid to an employee on leave unless the employee terminates the employer/employee relationship. Contributions left in the WRS are subject to annual interest.			Employer makes retirement deductions upon return to work & reports return to work on annual detail report.
LIFE	36 months (beyond 36 months if union service leave).	3-month increments, due 30 days prior to end of 3-month period.	Same as prior to leave unless employee contribution rates increase or decrease, or the employee attains a new premium age category.	Continue up to 36 months.	Employee submits application ET-2304 within 30 days of return to work. Coverage types will remain the same as coverage types prior to leave or temporary layoff in most circumstances.
HEALTH	36 months (beyond 36 months if military or union service leave). <u>For Layoff Only</u>: Up to 5 years if using sick leave credits. COBRA coverage after the employer contribution ends, sick leave credits are exhausted or employee is still using credits after 5 years have elapsed.	Paid in advance by deduction from last payroll check or by personal check; then 30 days prior to end of the period for which premiums were previously paid.	After 3 additional months upon leave or temporary layoff, total of employer and employee premiums. <u>For Layoff Only</u>: Accumulated unused sick leave may be converted by employer to a dollar amount to pay premiums during layoff. Premiums are deducted until the credits are exhausted, 1st of the month following the employee's acceptance of other employment offering a comparable health insurance plan or policy, or five years have elapsed from date of layoff, whichever occurs first.	First 3 months of leave or temporary layoff.	Employe submits application ET-2301 (or ET-2302 for Graduate Assistants) within 30 days of return to work. Coverage type will remain the same unless a qualifying event has taken place. Restriction to the same plan unless the employee moved or unless a Dual-Choice Enrollment period occurred during the leave or temporary layoff.
ICI	36 months (beyond 36 months if union service leave) Waiting Period for benefits is the same for employees on leave as for active employees; benefits are computed based on last complete payroll period before leave.	Paid in advance by deductions from last payroll check; then due 30 days prior to end of period for which premiums were previously paid.	After 3 months, total of employer and employee contributions.	First 3 months while on leave or temporary layoff.	Employee submits application (ET-2307) within 30 days of return to work. Coverage types will remain the same as coverage types prior to leave or temporary layoff in most circumstances.

* Temporary layoff includes temporary layoff as defined under the applicable contract or administrative code, seasonal layoffs, school-year employee summer layoffs, etc.